

## **The BG-1"Project Application" Process**

Kentucky Department of Education's (KDE) District Facilities Branch (DFB) routinely receives questions related to school construction projects. They include:

- Is a Project Application Form (BG-1) required?
- How do I start the process?
- Who fills out and submits the forms?
- What does KDE expect when submissions are made?
- How do I submit a BG-1 to KDE for review and processing?
- When is a Revised BG-1 required?
- How long will the review take?

### **Is a Project Application Form (BG-1) required?**

KRS 162.060 states "The chief state school officer shall be furnished a copy of all plans and specifications for new public school buildings contemplated by boards of education and for all additions to or alterations of old buildings". This process is administered by 702 KAR 4:160 Capital Construction Process.

A BG-1 is required for **all** projects that:

1. Use a restricted fund source (Support Education Excellence in Kentucky (SEEK) capital outlay funds, Facility Support Program of Kentucky (FSPK) funds (KRS 157.620), School Facilities Construction Commission (SFCC) funds or building funds (KRS 160.476); **or**
2. Propose construction of a new building, addition, or alteration of an existing building that requires design by a design professional for a building or building system as required by KRS 322.360 and/or 323.033 ; **or**
3. Propose a guaranteed energy savings contract (GESCC) per KRS 45A.352.

No work is to be performed without a KDE approved BG-1 with the exception of emergency projects. Refer to 702 KAR 4:160 Section (1)(8) and Section (2)(6) for guidance for submitting an Emergency BG-1

**702 KAR 4:160 Section (1)(8)** "Emergency" means a situation which creates a threat or impending threat to public health, welfare, or safety that may arise by reason of fires, floods, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, theft, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates, or similar unforeseen events, and which results in the loss of use of the physical facilities.

### **702 KAR 4:160 Section (2)(6)**

(6) If an emergency occurs, impacting an activity for which a BG-1 Form is required:

(a) The superintendent shall:

1. Proceed with corrective actions, as needed;
2. Notify the department of the emergency and request approval to continue with the plans and corrective action;
3. Advise the board to declare an emergency in accordance with the district's officially adopted procurement method under KRS 424.260 or 45A.380; and
4. Submit to the department:
  - a. BG-1 Form; and
  - b. The board order declaring the emergency; and

(b) The department shall process the emergency BG-1 Form request within seven (7) calendar days of receipt.

### How do I start the process?

ALL projects are to be initiated by submitting an Initial BG-1 to DFB. **This applies to all schools, offices, athletic buildings (including bleacher and stadium seating installation), storage facilities, bus garages or any building being constructed, added onto or renovated regardless of how the work will be funded (including booster projects).**

### Who fills out and submits the forms?

We receive BG-1's from superintendents or other district officials, fiscal agents, architects and construction managers. The experience of these individuals and their familiarity with KDE procedures vary widely. A summary of the BG-1 submission process follows and identifies some common issues we observe in our administration of this process.

### What does KDE expect when submissions are made?

The BG-1 Form is a two page document.

KDE expects to receive complete submissions.

Page One requires the following information:

- Identification of the district and facility for which the work is proposed.
- Whether or not the project is listed on the District Facility Plan (DFP). If it is on the DFP, the priority is to be identified. This is necessary to determine if the proposed funds are appropriate for the proposed project regarding statutory compliance for their expenditure.
- A narrative description of the work.

Page Two requires:

- A cost breakdown of the project including the estimated construction cost, professional fees, contingencies, equipment and other items that will be included in the overall project cost.
- Identification of the fund sources that are proposed for the project and supporting documentation when applicable (i.e. Examples of supporting documentation: for donations – External Partner Agreement, for reimbursements – Memorandum of Agreement (MOA), KYTC reimbursement; for residual funds – project closeout documentation, YTD Project Budget Report from the MUNUS system and SFCC approval of residual fund transfer to new project).
- Signatures of the superintendent, finance officer, and chairman of the board of education.

BG-1s must be approved by the local board. Board meeting minutes or a “board order” are to be available upon request by KDE. The BG-1 is to be submitted electronically to the Kentucky Department of Education, District Facilities Branch for review and approval. For submission details refer to [Instructions for Electronic Submission of the BG-1 Project Application Form and BG-5 Project Closeout Form](#) link available on the [Facilities Construction webpage](#).

## How do I submit a BG-1 to KDE for review and processing?

The Project Application Form (BG-1) and the Project Closeout Form (BG-5) will be accepted electronically.

- ***BG-1 Forms will only be accepted when submitted electronically to [BG1ProjectApp@education.ky.gov](mailto:BG1ProjectApp@education.ky.gov).***
- ***BG-5 Forms will only be accepted when submitted electronically to [BG5ProjectCloseout@education.ky.gov](mailto:BG5ProjectCloseout@education.ky.gov).***

After a BG-1 is received electronically, DFB reviews it to confirm that the application is complete. If the application is incomplete, the district will be notified and requested to correct the identified issue(s). If the application is complete, an acknowledgement of receipt is sent to the district. The BG-1 is processed for review and assigned a project number for tracking purposes. Even though the BG-1 has been given a project number, this does not mean that it is approved.

The District Facilities Branch conducts weekly BG-1 reviews. Initial BG-1's are reviewed to determine the appropriate guidance to provide to the district.

- The proposed project is reviewed relative to the district's current DFP.
- The proposed funding is reviewed. If restricted funds are used, the scope of work is compared to the DFP relative to the regulatory requirements of the fund source(s).
  - If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process resumes.
  - If SFCC funds are used, SFCC approval is requested.
- The project costs are reviewed to insure that the items needed for the project are listed.
  - If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process resumes.

After DFB determines that the proposed work is appropriate related to the proposed fund source(s), the BG-1 is approved by the DFB Branch Manager and it is then reviewed to determine that the district has the funds available for the project.

- If a problem is identified, the review is stopped and the district is contacted to resolve the issue. After the issue is resolved, the review process continues.

After the funds are determined to be appropriate and available, the BG-1 is approved and forwarded on to the Director of the Division of District Support for final review. Should any questions remain, these are resolved before final approval is given.

After final approval is obtained, DFB notifies the district by sending an approval letter via email to the superintendent, finance officer, facilities director and other parties which may include the design professional and construction manager as appropriate. This letter documents KDE's approval and identifies any concerns or conditions that have been noted. A procedural checklist outlining the submittals and steps that the district must follow during the project accompanies the initial BG-1 approval letter.

### When is a Revised BG-1 required?

A Revised BG-1 is required when a change in project scope occurs, an update cost estimate during design is needed, to reconcile with bids, to increase contingency, to reconcile with project closeout, to change a fund source, or other change to the current approved BG-1. When submitting a revised BG-1 form, provide the reason for the revision. A Revised BG-1 follows the same review process as an Initial BG-1.

### How long will the review take?

The regulation provides up to thirty (30) days for the BG-1 process. The review process can be shortened by submitting accurate and complete submittals. However, delays may occur when inaccurate or incomplete submittals are made. For more information, refer to the [Financial Aspects of 702 KAR 4:160 Construction Process](#) and [Guidelines of Best Practices](#) documents available on the Facilities Construction webpage at <http://education.ky.gov/districts/fac/Pages/Construction.aspx>.

### For assistance contact the following KDE staff

For BG-1 and BG-5 related questions:

- General submission and status questions: Jeffrey Coulter at [jeffrey.coulter@education.ky.gov](mailto:jeffrey.coulter@education.ky.gov) or (502) 564-4326, extension 4459.
- Project specific questions, after a BG-1 has been approved and assigned a project number: the district assigned District Facilities Branch Project Manager. Refer to the [KDE District Facilities Branch Project Managers List](#) and contact information on KDE School Facilities webpage at <http://education.ky.gov/districts/fac/Pages/default.aspx>;

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